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FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC PRIORITY 3147
INFO RUEHAC/AMEMBASSY ASUNCION 6692
RUEHBO/AMEMBASSY BOGOTA 4017
RUEHBR/AMEMBASSY BRASILIA 7906
RUEHBU/AMEMBASSY BUENOS AIRES 5156
RUEHCV/AMEMBASSY CARACAS 2386
RUEHPE/AMEMBASSY LIMA 2508
RUEHMD/AMEMBASSY MADRID 3411
RUEHMN/AMEMBASSY MONTEVIDEO 4534
RUEHQT/AMEMBASSY QUITO 5025
RUEHSG/AMEMBASSY SANTIAGO 9612
RUEHLMC/MILLENNIUM CHALLENGE CORP
RHMFIUU/HQ USSOUTHCOM MIAMI FL
RUMIAAA/USCINCSO MIAMI FL
RUEHUB/USINT HAVANA 0254
RHEHNSC/NSC WASHINGTON DC
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC

UNCLAS LA PAZ 001009

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STATE FOR WHA/AND
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MCC FOR AKIRSCHENBAUM

E.O. 12958: N/A

TAGS: [ECON](#) [PGOV](#) [BL](#)

SUBJECT: NATIONAL HOUSING PLAN TO SHELTER 14,000 FAMILIES

¶1. The GOB announced its national housing plan on April 3, designed to decrease the current Bolivian deficit of around 300,000 homes. The plan seeks to provide housing to 14,000 families by providing subsidies of up to USD 1,400 to poor families in rural areas and loans ranging from USD 2,500 to USD 15,000 to poor and middle class families in urban areas. The loans will have twenty-year terms with zero to three percent interest rates, compared with seven to ten percent commercial mortgage rates. The loans will be channeled through 13 financial cooperatives and NGOs, including Habitat for Humanity, but will be approved by the vice ministry of housing. The program also will provide subsidies of up to USD 500 for home improvements designed to eliminate disease-carrying pests and loans of up to USD 1,500 for creating productive spaces or home expansion. The government estimates that the housing program will generate 70,000 jobs in the construction sector during the coming year.

¶2. Comment: The program will hopefully reach some of the poorest Bolivians and will likely boost the GOB's popularity, but unfortunately is also likely to be subject to abuse and corruption, difficult to implement, and probably will not confer legal titles upon program participants, if prior GOB housing programs serve as any indication. Most importantly for the GOB, the plan promises to be an important source of patronage in the run-up to elections expected to be held in ¶2008. End comment.
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